



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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March 28, 2002

CERTIFIED RETURN RECEIPT

7099 3400 0016 8896 3922

Keith Moeller
Clifton Mining Company
70 West Canyon Crest Road, Suite D
Alpine, Utah 84004

Re: Notice of Intention to Rescind Tentative Approval and Directive to Post Reclamation Surety, Clifton Mining Company, Cactus Mill/Gold Hill, M/045/049, Tooele County, Utah

Dear Mr. Moeller:

On February 22, 2001, we issued tentative approval for the Cactus Mill, located in the SE/4 of SE/4 of SE/4, Section 35, Township 7 South, Range 18 East, SLBM, Tooele County, Utah. The letter informed you that before we could issue final approval, the \$38,800 reclamation surety and completed Reclamation Contract must be received. We requested receipt of these documents by the end of the 30-day public comment period. The public comment period ended April 29, 2001.

Rule R647-4-113.1

After receiving notification that the notice of intention has been approved, but prior to commencement of operations, the operator shall provide the reclamation surety to the Division.

Rule R647-4-113.4

The operator shall submit a completed Reclamation Contract (Form MR-RC) with the required surety. The form and amount of the surety must be approved by the Division.

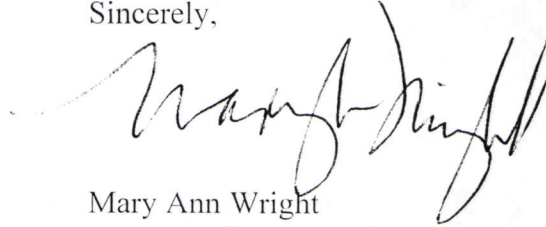
To date, we have not received the required \$38,800 reclamation surety or the completed reclamation contract agreement. **This letter is sent to notify you that if we do not receive the required surety amount within 30 days from the date of this letter (by April 29, 2002), we will rescind our tentative approval decision and return your large mine permit application.**

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We will also prepare a formal Notice of Agency Action seeking an order from the Board of Oil, Gas and Mining to revoke the existing Small Mining permit and require Clifton Mining Company (CMC) to reclaim the Cactus Mill disturbances, or post the required surety.

If you have questions with the requirements of this letter, you may contact me at (801) 538-5306, or Wayne Hedberg at (801) 538-5286. Your prompt response to this notice is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Ann Wright", written over a horizontal line.

Mary Ann Wright
Associate Director, Mining